Statement-II

The percentage of ATMs installed by Public Sector Banks in metropolitan cities, semi-urban and rural area-wise. as on December 2007

	Metro Centre	Urban Centre	Semi-urban Centre	Rural Centre	Total
No. of ATMs	6346	7524	5001	1176	20047
Percentage of ATMs	31.66	37.53	24.95	5.86	

Levying of VAT on foodgrains

1902. SHRI K. CHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether Value Added Tax (VAT) is levied on the foodgrains under Antyodaya Anna Yojana;

(b) if so, the details thereof;

(c) whether the imposition of tax puts additional financial burden on the State Governments;

(d) if so, whether Government is considering waiving off taxes on the foodgrains under this scheme;

(e) whether Government is considering compensating the Sates on the levied tax; and

(f) the response of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) State VAT, being a tax on sale or purchase of good within a State, is a State subject by virtue of Entry 54 of State List of the Constitution. The VAT rates, the list of extempted items etc. are therefore determined by the States through their respective legislations. An Empowered Committee of State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning State VAT. The Empowered Committee monitors all the issues related to VAT. The Central Government has no direct role to play in this regard, except that of a facilitator.

(d) to (f) There is no proposal to compensate States separately for different items such as foodgrains. The compensation package agreed upon between the Centre and the States takes into account the total drop is VAT collection consequent on introduction of VAT.

Operation of infrastructure funds by mutual funds

1903. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether, as per announcement in his Budget 2007-08 proposals, Mutual Funds (MFs) are permitted to launch and operate dedicated infrastructure funds;

(b) if so, the salient terms and conditions imposed, if any, for pre-and post-launch of such MF's to mop up public savings and for operation of such funds, indicating incentives such MFs are eligible to;

(c) the details of MFs granted permission to launch such funds showing volume of

funds mopped up so far as well as MFs which have been granted permission but are yet to launch; and

(d) the details of MFs which have been refused permission?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) SEBI is working on operationalising this Budget announcement.

(b) to (d) Do not arise in view of reply to (a) above.

Bank credits for Dalits and Non-Dalits

1904. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of FINANCE be pleased to state:

(a) what is the amount of bank credits per-capita for Dalits and Non-Dalits during the years 1993, 2001, 2004 and 2007;

(b) whether it is a fact that ratio for Dalits have come down drastically during the above mentioned period and that for non-Dalits it has gone up appreciably and that in fact small borrowal accounts of Dalits have declined from 77 to 23 per thousand; and

(c) what are the reasons for this glaring disparity among Dalits and Non-Dalits bank credits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The information is being collected and will be laid on the Table of the House.

Change in rules for participatory notes

1905. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Securities and Exchange Board of India (SEBI) changed rules regarding renewal of Participatory Notes with underlying derivatives by Foreign Institutional Investors, their accounts and details regarding new norms;

(b) if so, whether it has any cooling off effect in stock market; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir. The Securities and Exchange Board of India (SEBI) approved certain measures streamlining the issue of Participatory Notes (PNs) by FIIs in October, 2007. These measures include the following:

1. FIIs and their sub-accounts shall not issue/renew Offshore Derivative Instruments (ODIs) with underlying as derivatives with immediate effect. They are required to wind up the current position over 18 months, during which period SEBI will review the position from time to time.

2. Further issuance of ODIs by the sub-accounts of FIIs will be discontinued with immediate effect. They will be required to wind up the current position over 18 months, during which period SEBI will review the position from time to time.